SHRI RAM NIWAS MIRDHA: Sir, I have already said it in my answer, which I will quote again: "Efforts are being made to produce an indigenous tissue culture vaccine at Pasteur Institute of India, Coonoor and National Institute of Immunology, Delhi has undertaken research...."

DR. R. K. PODDAR: I asked. what are the existing virological institutions? They have expressed that if they are provided with some infrastructural facilities, they can produce this vaccine here itself.

SHRI RAM NIWAS MIRDHA: I am going further. The Pasteur Institute at Coonoor is already doing so. They are experimenting with this, they have reached a certain stage, animal trials are being held. They are working on these lines and we fully encourage them to proceed in this respect.

SHRIMATI JAYANTHI NATARAJAN: Sir, apart from what the honourable Member mentioned about the doctors, we are more concerned about the actual people. The vaccine given for rabies is a passive immunization. After the exposure the injections are given. To be sure, we ought to have an idea of how many rabies cases are there every year so that we have an adequate stock of the vaccine. I want to know from the honourable Minister whether it is not a fact that the rabies vaccine that is produced in India—the figure has been given as 40 million millilitres—is highly antigenic and it also shows alarming symptoms of causing ascending paralysis. You may be treated effectively for rabies but you might end up having paralysis.

MR. CHAIRMAN: That is why he is going for the other one.

SHRIMATI JAYANTHI NATARAJAN: Therefore, if HDC-V is the only effective vaccine available, then why is it that we are still allowing the local vaccine—which is going to cause paralysis to the patients—to be supplied in the hospitals? Why are we taking a myopic view of this?

MR. CHAIRMAN: Does it cause paralysis ?

SHRI RAM NIWAS MIRDHA: No, Sir. The present vaccine, the conventional one which we are using, does show some adverse reactions. We have studied them very thoroughly One case in 5,500 to 11,000 shows this reaction and these types of reactions are present in many of the other imported medicines that we use. So, we are aware of the reactions it causes in some cases, but we cannot discontinue this till we have other arrangements, which we are prepared to make.

Discontinuance of Loan Licence System for Pharmaceutical Industry

*363. DR. MOHD. HASHIM KIDWAI: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state :

(a) whether it is a fact that Government propose to discontinue the loan licence system for the pharmaceutical industry;

(b) if so, what are the reasons therefore; and

(c) what is the number of persons who will be rendered jobless in the country as a result of such discontinuance of this system?

THE MINISTER OF TEXTILES AND THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI RAM NIWAS MIRDHA): (a) to (c) A statement is laid on the Table of of the Sabha.

Statement

A decision to discontinue the Loan Licensing System in a phased manner before the end of the 7th Five Year Plan was announced in the Drug Policy Document in December, 1986 by Government of India, Ministry of Industry, Department of Chemicals and Petro-Chemicals. However, fol-

lowing a number of representations for the continuance of this system, Government took a decision to set up a Committee to examine the various representations recived in this connection. The Committee was set up in September, 1988 under the Chairmanship of Drug Controller (India).

According to Ministry of Industry, Department of Chemicals and Petro-Chemicals, the main reason for discontinuing the Loan Licensing System was because many big companies, particularly multi-nationals, floated a number of small scale units and took the benefit of the concessions available to such units under various schemes. Secondly, under the Loan Licensing System, it was difficult to introduce the concept of good manufacturing practises.

Loan Licenses are granted by the State Drug Controllers. According to the information available in this Ministry, there are about 8000 loan licensee units in the country employing technocrate, marketing professionals and other directly or indirectly engaged in these units.

DR. MOHD. HASHIM KIDWAI: Sir, I would like to know from the honourable Minister, (a) the number of such small-scale units floated by the big companies who took benefit of concessions available to such units under the various schemes, and (b) whether any action been taken against these companies and, if so, what are the details of such action are.

SHRI RAM NIWAS MIRDHA: Sir, I have already said in my answer that according to information available in the Ministry, there were 8,000 loan licensed units within the country so, this figure is there, Sir. As regards action, as of now, the Loan Licensing System is not actionable. It is permitted. It is only when the Government wants to phase it out, for which the Drug policy has made some mention. So, there is no question of taking action because it is permissible as of now.

DR. MOHD. HASHIM KIDWAI I wanted to know the number of such big companies which floated bogus small units and took benefits.

SHRI RAM NIWAS MIRDHA: Sir, I can only say how many loan licensed units are there. But , who floated them, who are behind them, which is bogus and which is not bogus, is not the question. The number of them is 8,000.

SHRI SANTOSH BAGRODIA: Sir, I would like to know from the honourable Minister if this measure is intended to check the production of sub-standard drugs, of which there are numerous complaints against small manufacturing units. Does the Government propose to introduce and enforce new restrictions and quality control measures to ensure that spurious drugs do not enter the market, especially hospitals and dispensaries of the Central and State Governments which are the largest buyers?

SHRI RAM NIWAS MIRDHA: Sir, the Government is always trying to say that not only the Government hospitals but every one in the country gets drugs which are not spurious or sub-standard. We have the Drugs and Cosmetics Act in this respect. The State Drug Controllers are doing inspection and taking action under that. Though the number of laboratories for examining these drugs is not as much as we want it to be--the number of Inspectors is also very small--but still, in spite of the difficulties, the State Drug Controllers are doing a very good job to see that sub standard drugs are not sold only in the Government sector but any-where in the country.

SHRI SUKOMAL SEN: Sir, I have gone through the reply. The second part of the reply, I think, is correct that there are multinational companies interested in the loan licence system for various purposes, and the Government has taken a decision to phase it out by the end of the Seventh Five-Year Plan. Sir, the reply says that certain representa-

tions have been received by the Government against the Government's decision, for continuance of the loan licence system. It is not clear from here which are the agencies which have submitted representations for continuance of the loan licence system.

Then, Sir, it is not only multinationals. I would like to know from the hon. Minister whether even certain public sector pharmaceutical units, for example, in Calcutta the Bengal Immunity, one of the oldest pharmaceutical units in the country, instead of utilising the installed capacity, are having medicines through the loan licence system. Substandard medicines they are getting, and they are being sold in the name of these renowned units. Why are the public sector units being allowed to have this loan licence sytem even now after the Government took the decision that it would be phased out by the end of the Seventh Five-Year Plan?

SHRI RAM NIWAS MIRDHA: Sir, I will again assert that whether by the loan licence system or manufacture, substandard drugs cannot be accepted. So, whether, they are manufactured under the loan licence system or they are manufactured by the manufacturer himself, the standards for judging a drug would be enforced and are being enforced. There is no question of one being substandard and the other not being substandard. I am not aware of the problem that the hon. Member raised about public sector enterprises doing this. As of now, the loan licence system is acceptable. It is not actionable. There is nothing illegal to have the loan licence system. There are conditions under which the loan licence is issued. If they are complied with, there is no problem so far as the law is concerned. But in the longer run, the drug policy says that it should be phased out. Therefore, we are examining as to how and in what manner it should be phased out.

SHRI SUKOMAL SEN: Why can the public sector units not stop it when the Government's decision is already there ? Can he reply to it?

SHRI RAM NIWAS MIRDHA: I think, I am not aware of it...

SHRI SUKOMAL SEN: You should be aware of it.

SHRI RAM NIWAS MIRDHA: Whether it is the public sector or the private sector, there is nothing wrong in the loan licence system as of now. That is what I am saying.

SHRI SUKOMAL SEN: Would you please enquire about the Bengal immunity I have referred to ?

SHRI SUKOMAL SEN: I say there is nothing wrong as of now whether it is the public sector or the private sector in going in for the loan licence system.

MR. CHAIRMAN: It should not be substandard. That is all he is concerned with.

श्री सुरेश पचौरी : माननीय सभापति जी, ड्रग पालिसी डाक्यूमेंट, 1986 के अनुसार यह निर्णय लिया गया था कि लोन लाइसेंसिंग सिस्टम को डिसकाटीन्यू किया जाये । इसका मुख्य कारण यह बताया गया है कि कई बड़ी बड़ी कम्पनियां जिनमें बहुराष्ट्रीय कम्पनियां भी हैं, कई स्कीमों के तहत लाभान्वित होती हैं । मैं मंत्री जी से यह जानना चाहता हूं कि इसके बाद कई प्रकार के रिप्रेजेंटेशन इस पद्धति को लागू करने के लिए प्राप्त हुए और एक समिति का गठन, सितम्बर, 1988 को किया गया । उस समिति की रिपोर्ट क्या अभी तक मन्त्रालय को प्राप्त हुई है और यदि नहीं हुई है तो कब तक होगी ? दूसरा, मेरे क्वेश्चन का पार्ट यह है कि इससे

कई लोग रोजगार की वृष्टि से प्रभावित होंगे जैसे कई मारकेटिंग प्रोफेशनल होंगे, कई टेक्नोक्रेट होंगे और अन्य लोग होंगे तो उन प्रभावित लोग के लिए जो कि रोजगार से प्रभावित होंगे, उनके लिए सरकार क्या कदम उठाने जा रही है और मेरे क्वेश्चन का "सी" पार्ट यह है कि जबकि पूरे देश में 8000 यूनिट्स को लाइसेंस दिया गया है तो मध्य प्रदेश में कितनी यूनिटस को लाइसेंस दिया गया है और उनकी आउटपुट क्या है ?

सभापति : मध्य प्रदेश का तो अलग से पूछना पड़ेगा । बाकी का जवाब दे दीजिए ।

श्री राम निवास मिर्धा : श्रीमन्, ड्रग पालिसी का निर्माण डिपार्टमेंट आफ केमिकल्स एण्ड पैट्रोकेमिकल्स करता है और उन्होंने अपनी ड्रग पालिसी मे लिखा है कि सातवीं पचवर्षीय योजना के अंत तक लोन लाइसेंसिंग को हटाया जाये, इसके बारे में विचार किया जायेगा । एक कमेटी सितम्बर, 1986 में बनी है जैसा मैंने अपने उत्तर में कहा है ड्रग कंट्रोलर (इंडिया) उसके चेयरमैन हैं, वह इस पर विचार कर रही है और अभी तक उनकी रिपोर्ट नहीं आई है ।

MR. CHAIRMAN: Question No. 364.

SHRI PUTTAPAGA RADHAKRISHNA: Sir, a point of order.

MR. CHAIRMAN: There is no point of order in the Question Hour. Please sit down.

P. M's. Directive to the Planning Commission

*364. SHRI M. S. GURUPADASWAMY: Will the Minister of PLANNING be pleased to state:

(a) whether the Prime Minister has recently directed the Planning Commission to the effect that no aid should be provided to the States if those have excess expenditure;

(b) whether any concession has been made to special category States under the Gadgil Formula; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND THE MINISTER OF STATE IN THE MINISTRY OF PROGRAMME IMPLEMENTATION (SHRI BIREN SINGH ENGTI): (a) No, Sir. There is no such directive given by the Prime Minister.

(b) and (c) Under the modified Gadgil Formula as approved by the National Development Council in 1980, the requirement of Central assistance in respect of special category States is pre-empted out of the total pool of Central assistance. Hence the question of any concession does not arise.

SHRI M. S. GURUPADASWAMY: Of late the State Governments are facing a lot of financial constraints and whenever there is a natural calamity or any other calamity, these constraints become all the more greater. There has been a persistent and continuous demand made by various State Governments that the Central assistance should be increased and liberalised. In view of this may I ask the hon. Minister whether the Planning Commission and the Central Government will consider the entire scheme of assistance to the State Governments *de novo* ? My friend, Mr. N. K. P. Salve is the Chairman of the Finance Commission. We have reservations about the terms of reference of the Finance Commission. In view of this I would like to know whether the Central Government, the Planning Commission and the Finance Commission will liberalise the scheme of Central assistance to State Governments and draw up a new scheme, especially when sometimes the ex-